Ministry of
Skills Development
and Labour

2003/04
Annual Service Plan Report

BRITISH
COLUMBIA

National Library of Canada Cataloguing in Publication Data
British Columbia. Ministry of Skills Development and Labour.
Annual service plan report. — 2002/03 —

Annual.
Continues: British Columbia. Ministry of Skills Development and Labour. Annual report. ISSN 1703-4442.
ISSN 1705-8880 = Annual service plan report — British Columbia. Ministry of Skills Development and Labour.

1. British Columbia. Ministry of Skills Development and Labour — Periodicals. 2. Labour policy — British Columbia — Periodicals. 3. Technical education — Government policy — British Columbia — Periodicals. I. Title. II. Title: Ministry of Skills Development and Labour . . . Annual Service Plan Report.

HD8109.B7B74 354.9'09711'05 C2003-960098-X

For more information on the British Columbia
Ministry of Skills Development and Labour contact:
Ministry of Skills Development and Labour
PO BOX 2345
STN PROV GOVT
VICTORIA BC V8W 9K1

or visit our Website at
www.labour.gov.bc.ca

Published by the Ministry of Skills Development and Labour

104-06159/

Table of Contents

Accountability Statement 5

Message from the Minister 7

Year-at-a-Glance Highlights 9

Ministry Role and Services 12

Performance Reporting 20

Report on Resources 30

Appendix 1: List of Crowns, Agencies, Boards 31

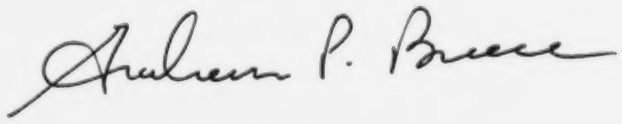
Appendix 2: Legislation 32

Appendix 3: Regional Offices 33

Appendix 4: Other Program Statistics 34

Accountability Statement

The 2003/04 Ministry of Skills Development and Labour Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the ministry's 2003/04 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.

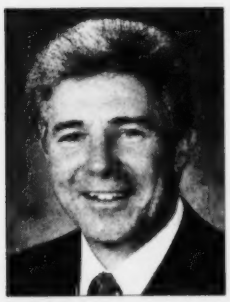


Honourable Graham P. Bruce
Minister of Skills Development and Labour

June 14, 2004

BRITISH COLUMBIA

Ministry of Skills Development and Labour



The 2003/04 annual report reflects the ongoing efforts of the Ministry of Skills Development and Labour to encourage innovation, productivity and prosperity for all British Columbians in a fair and safe work environment. New laws, significant agreements and extensive reviews were undertaken to provide solutions to a variety of challenges employers and employees face in the workplace.

Government has taken a proactive role leading British Columbia into the 2010 Winter Olympic and Paralympic Games, which, along with related projects, will mean thousands of new jobs for British Columbians. A provincial human resources strategy has also been developed to ensure business, education and government sectors maximize opportunities for sustainable economic development in the years to come. A number of construction projects on the Olympic horizon, coupled with continued demands, fuelled further confidence in our economy in 2003. The 57 per cent surge in housing starts over 2002 reinforced this.

This ministry also focused on providing a safe work environment and improving fairness in Workers' Compensation, along with a commitment to significantly reduce appeal backlogs. *Workers Compensation Act* changes ensured partners of workers who died from workplace injuries received lifetime survivor benefits to help them plan for their future. A task force of senior forest industry representatives was also established to find ways to reduce unacceptable levels of death and serious injuries in this sector.

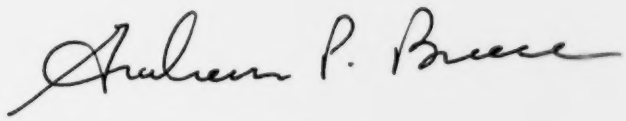
Employment Standards changes helped remove unnecessary regulation and implemented new rules to protect young people in the workforce and enhance their ability to find jobs. Among the new regulations, specific rules were developed for children working in the film and television industry, setting out how long a child can work in a day or week and ensuring that their incomes were protected.

Government, the agriculture industry and employees entered into a formal partnership agreement in 2003 to help protect farm workers by targeting better working conditions and improving job opportunities in that sector. All interested parties signed a Memorandum of Understanding that provided for better education of agriculture workers and employers and continued site visits by employment standards enforcement staff.

Government also responded to concerns of the B.C. Film and Television Industry regarding on-going labour relations challenges in the industry with the appointment of an industrial inquiry commission headed by Justice David Tysoe of the B.C. Supreme Court. The report

that Justice Tysoe completed in early March has challenged the industry to improve production and employment.

We continue to work with all sectors to make this province the best place in Canada to live, work and invest.



Honourable Graham P. Bruce
Minister of Skills Development and Labour

Year-at-a-Glance Highlights

April 4 — The Minister appointed an industrial inquiry commission into a strike by clerical and support staff at Simon Fraser University, which was jeopardizing students' ability to write final exams.

April 16 — Government reached a tentative agreement with the Facilities Bargaining Association to reduce contracting out of hospital support services, in exchange for wage rollbacks, benefit concessions and productivity gains. The tentative agreement was rejected by the union membership.

May 1 — The Report of the B.C. Labour Relations Code Review Committee was released. The five-member committee was asked to review fourteen issues and provide an independent, objective discussion and analysis.

May 5 — Bill 37, the *Skills Development and Labour Statutes Amendment Act, 2003* is introduced to amend the *Workers Compensation Act* and the *Employment Standards Act*, ensuring surviving partners of workers who die from workplace injuries receive lifetime survivor benefits, and changes rules for the protection of young people employed under 15.

May 14 — Bill 66, the *Miscellaneous Statutes Amendment Act (No. 2), 2003*, repealed the *Barbers Act* and the *Cosmetologists Act* to bring these occupations into line with other trades in B.C. under new province-wide industry training legislation.

May 15 — Better working conditions and improved job opportunities in the agricultural industry were announced in a new partnership agreement that helps protect farm workers and makes agricultural production in B.C. more competitive with other jurisdictions.

October 10 — The province and the B.C. Government and Service Employees Union reached a tentative labour agreement that added flexibility for employers in return for strengthened job security for employees. The agreement remains consistent with the government's public-sector bargaining mandate of no wage increases for the next two years.

October 24 — The employment standards definition of high-technology professional was broadened to ensure those people who develop and market innovative products in the sector have the flexibility they need to maintain a competitive edge.

October 24 — Release of two new reports, supported by the provincial and federal governments, that identify job growth and potential skills gaps in a number of areas in the years leading up to and following the 2010 Olympics. The reports, prepared by Roslyn Kunin & Associates, will help government, educators and business maximize the employment, skills development and volunteer opportunities that will result throughout the province from Olympic Games-related and general economic growth up to and beyond 2010.

November 13 — Government released consultant Don Wright's report that recommended terms of reference to review teacher collective bargaining in British Columbia.

November 18 — An industrial inquiry commission was appointed to study labour issues in the B.C. film industry. Justice David F. Tysoe of the Supreme Court of B.C. headed up the inquiry.

November 19 — Legislation was introduced that will help in the development of new health-care facilities for patients, by clarifying the rules for public-private partnerships in the health sector. Bill 94, the *Health Sector Partnerships Agreement Act*, will facilitate construction of the Abbotsford Regional Hospital and Cancer Centre.

November 20 — Legislation was introduced to update the 1976 *Railway and Ferries Collective Bargaining Assistance Act*, which allowed government to order a cooling off period in ferry labour disputes. Amendments introduced in Bill 95 update references to related acts and to parties involved.

November 21 — BCGEU employees voted 80 per cent to ratify a two-year extension of the current collective agreement with the province. In a parallel vote, employees of the Liquor Distribution Branch voted 85 per cent to accept contract changes that will maintain the B.C. Liquor Stores and distribution centres in the public service.

November 28 — The definition of 'farm worker' was updated to keep pace with the many changes that have taken place in agriculture, including increased mechanization and the growing importance of farm-based sales.

November 28 — Young workers, many starting their first jobs, will be protected under a new regulation, which would come into effect December 14. The rules covering children under 15 working in B.C.'s film, television and television and radio commercial industry which would come into effect December 14. The rules set out how long a child could work in a day or a week and ensure children's income are protected.

December 9 — Government brought in an 80-day cooling-off period, ordered a return to full service of the ferry system and appointed special mediator, Vince Ready, to work with BC Ferries Services Inc. and the BC Ferry and Marine Workers' Union in resolving their labour dispute.

December 16 — Legislation was introduced to bring an end to the work stoppage in the coastal forest industry. Bill 99, the *Coastal Forest Industry Dispute Settlement Act*, provided for a return to work under the terms of the collective agreement that expired in June, 2003, and appointed Don Munroe to mediate a new agreement by May 31, 2004.

December 19 — Following meetings with school employer and unions groups, Don Wright was appointed to review and recommend changes to the collective bargaining structure for teachers in B.C.

February 23, 2004 — The B.C. Forest Safety Task Force released its report calling for immediate and fundamental changes in B.C.'s forest sector. The report provides recommendations for tackling the unacceptable rates of death and serious injury in B.C. forests.

February 26, 2004 — "Planning for Gold", the final report of the 2010 Human Resource Planning Committee was released. This report identifies themes that are critical for addressing B.C.'s human resource requirements leading up to and beyond the 2010 Olympic and Paralympic Games. These themes are the basis for recommended actions on the part of industry, government and other stakeholders.

March 4, 2004 — Justice Tysoe's industrial inquiry commission report was released outlining five labour relations issues that must be resolved to keep B.C.'s film industry competitive with other jurisdictions.

Ministry Role and Services

Ministry Overview

The Ministry of Skills Development and Labour is working to build a modern employment environment that meets the needs of employees, employers, unions and business in British Columbia.

The core programs of the ministry involve the development, implementation and enforcement of employment standards, workplace safety standards and labour relations rules. Programs are delivered through one of the ministry's three program areas:

1. Skills development and employment standards,
2. Industrial relations, and
3. Workers' compensation.

The ministry administers 10 statutes — the *Labour Relations Code*, the *Employment Standards Act*, the *Workers Compensation Act* and several statutes concerning the collective agreements of particular service sectors. Some of these statutes are administered in whole or in part by independent agencies, such as the Labour Relations Board, the Employment Standards Tribunal, and the Workers' Compensation Board.

Our key stakeholders are everyone who participates in the B.C. economy, as workers (both unionized and non-unionized), as public or private sector employers, or as unions or industry associations. Major contextual factors include the state of the provincial, national and global economies.

Ministry Vision, Mission and Values

Vision

A modern work environment for British Columbians that encourages innovation, rewards creative thinking and increases productivity. Employees and employers are treated fairly and equitably. A prosperous British Columbia where employers and employees have confidence in the future.

Mission

The mission of the Ministry of Skills Development and Labour is to create an employment environment with dynamic workplaces that meet the needs of workers, employers and unions. Vulnerable workers will be protected. The ministry will ensure that

British Columbians have the tools they need to foster working relationships in safe and healthy workplaces. It will develop programs and legislation that contribute to provincial competitiveness and prosperity.

Values

The following values will be integral to achieving the goals of the Ministry of Skills Development and Labour:

1. **Fairness** — We seek fair and balanced workplaces in all sectors and will ensure that all related ministry decisions are made in a consistent, professional, fair and balanced manner.
2. **Competitiveness** — We support a competitive business environment that attracts investment to British Columbia and retains our skilled employees.
3. **Respect** — We will protect the most vulnerable workers in the province and ensure they are treated equitably, compassionately and respectfully.
4. **Simplicity** — We will encourage small business to prosper through simple and streamlined processes.
5. **Responsiveness and Flexibility** — We strive to be relevant and responsive to constantly changing workplaces.
6. **Accountability** — We promote responsible fiscal responsibility and management and the implementation of affordable public policies.
7. **Teamwork** — We value the hard work and expertise of all ministry employees.

Ministry Operating Context

The Ministry of Skills Development and Labour has operated and made decisions under the following strengths and challenges.

Strengths

In 2003/04, the B.C. economy experienced significant job growth, more work opportunities for youth and rising investor confidence.

- Statistics Canada data show that between December 2001 and March 2004, B.C. created over 128,000 new jobs, resulting in the highest employment increase in Canada at 6.7 per cent.
- A report prepared in October 2003 for the 2010 Winter Games Human Resources Planning Committee estimates that between 2003 and 2015, the growing B.C. economy will generate more than one million job openings, including new jobs, vacancies created through retirements, and opportunities generated by the Olympic Games, construction of the Vancouver Convention and Exhibition Centre, Sea-to-Sky Highway improvements, and construction of the Richmond-Airport-Vancouver Rapid Transit Line.
- Other signs of B.C.'s economic improvement are increases in residential and non-residential building permits, real estate sales, business incorporations, retail trade, oil and gas exploration and lumber and paper shipments.

Through the preventative endeavours of workers, employers, unions, industry associations and the WCB, the injury rate in B.C. workplaces has declined steadily every year since 1991, for an overall decline of 52 per cent in 12 years.

- The Workers' Compensation Board reports that in 2003, the injury rate declined by nearly seven per cent from the previous year to a record-low of 3.0 accepted short-term disability claims per 100 person-years of employment.
- The Board calculates that an injury-rate reduction of one percentage point translates into approximately 600 fewer workers experiencing a time loss injury, $9 million in lower claims, and approximately 27,000 productive days gained for the economy.

Challenges

British Columbia's economy is growing, but faces significant competition with international markets.

- The global economy is highly competitive for both investment and skilled workers. While B.C.'s growing economy is expected to generate over one million job openings between 2003 and 2015, there may be skill gaps — meaning demand will exceed supply unless appropriate measures are taken — in certain regions and specialized occupations.

Several public sector collective agreements will expire in 2004 requiring government to begin negotiating new contracts with the hospital employees, nurses and teachers.

- The ability of the ministry to maintain labour peace will be challenged by negotiations between these high-profile employers and unions. In 2003, government began negotiations with the Hospital Employees Union and the B.C. Government and Service Employees Union. The Insurance Corporation of British Columbia also initiated contract discussions, and B.C. Ferry Services Inc. and the B.C. Ferry and Marine Workers' Union agreed to binding arbitration in 2003.

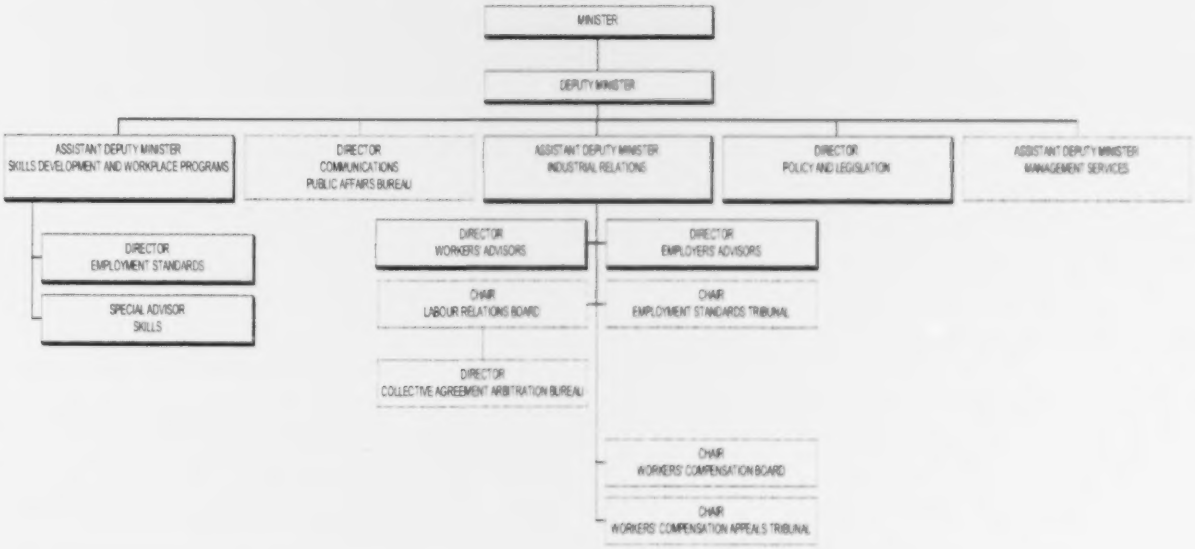
The ministry is concerned about maintaining employment standards for the most vulnerable employees while allowing B.C. business to compete both nationally and internationally.

- The ministry is committed to protecting vulnerable employees, including garment workers and agricultural workers. As these groups have historically been the most disadvantaged and the least able to advance their own interests, the ministry's challenge is in trying to involve the sectors in achieving employer compliance with employment standards.

The ministry faces the challenges of fostering continued growth in the film and television production industry in view of a labour relations climate that has the potential to limit that growth.

- British Columbia has created a positive climate for the film and television production industry with a range of programs providing financial support and incentives. The Ministry of Small Business and Economic Development reports that the industry grew from $176 million in 1991 to $1 billion in 2002. However, continued growth is threatened by the potential for labour unrest in this sector. The ministry's appointment of an Industrial Inquiry Commission to study labour issues in the B.C. film industry will help to ensure that B.C. continues to be an attractive destination for film production.

Ministry Structure (March 2004)


MINISTER
DEPUTY MINISTER
ASSISTANT DEPUTY MINISTER SKILLS DEVELOPMENT AND WORKPLACE PROGRAMS
DIRECTOR COMMUNICATIONS PUBLIC AFFAIRS BUREAU
ASSISTANT DEPUTY MINISTER INDUSTRIAL RELATIONS
DIRECTOR POLICY AND LEGISLATION
ASSISTANT DEPUTY MINISTER MANAGEMENT SERVICES
DIRECTOR EMPLOYMENT STANDARDS
SPECIAL ADVISOR SKILLS
DIRECTOR WORKERS' ADVISORS
DIRECTOR EMPLOYERS' ADVISORS
CHAIR LABOUR RELATIONS BOARD
CHAIR EMPLOYMENT STANDARDS TRIBUNAL
DIRECTOR COLLECTIVE AGREEMENT ARBITRATION BUREAU
CHAIR WORKERS' COMPENSATION BOARD
CHAIR WORKERS' COMPENSATION APPEALS TRIBUNAL

Ministry Structure and Core Business Areas

Industrial Relations

Through its industrial relations activities, the ministry oversees the fair administration of B.C.'s industrial relations to promote a healthy labour relations environment. The ministry is responsible for the *Labour Relations Code*. The Code establishes the rights of employees to choose trade union representation, the system for collective bargaining between employers and trade unions in unionized workplaces, and mechanisms to address changes in the employment structure of the workplace.

The *Labour Relations Code* also establishes the Labour Relations Board (LRB) as an independent tribunal to govern the establishment and regulation of relationships between employers, trade unions and employees, and to resolve disputes arising in those relationships through mediation and adjudication. As a quasi-judicial tribunal, the LRB's ability to deal with industrial relations disputes is faster and more efficient than the courts. The LRB also provides alternate dispute resolution services, which focus on assisting parties in resolving collective bargaining disputes. It also assists parties in improving labour relations, preventing conflicts and resolving contractual disputes during the term of their collective agreements. Votes ordered under the provisions of the *Labour Relations Code* are supervised by staff from the Employment Standards Branch.

The LRB has a budget of $5,995,000 and 43 employees. The Chair of the LRB is also the Chair of the Employment Standards Tribunal, which has four additional employees and funding of $691,000.

The ministry actively monitors the industrial relations environment in B.C. Self-reliance in resolving disputes through free collective bargaining is encouraged, but occasionally the ministry plays a direct role in helping parties to settle difficult disputes.

Employment Standards

Employment standards activities aim to increase compliance with the *Employment Standards Act* and to foster fair, productive and harmonious workplaces that promote prosperous business, quality working lives and a strong, growing economy.

The Employment Standards Branch administers the *Employment Standards Act* and Regulation, which set minimum standards for wage payments, overtime, vacation, statutory holidays, leaves, compensation for length of service, hours of work, employment of young persons and licensing of certain employment services.

There are 116 staff in the branch serving in nine sites throughout the province, with a budget of $11,396,000.

In addition to administering the legislation, the branch provides education, training and early intervention to ensure all parties in the workplace are aware of their rights and responsibilities under the Act.

Outreach to workplaces includes random audits to ensure general compliance and a level playing field for employees in various sectors. The branch also carries out targeted enforcement in areas identified as having greater difficulties with compliance.

Branch staff answer employee and employer inquiries, receive and address complaints of contraventions, and deliver professional, neutral mediation services to assist parties to come to a mutually satisfactory resolution to workplace disputes. Where resolution is not possible, the branch adjudicates disputes under the Act and issues a determination.

Determinations made by the Director of the Employment Standards Branch can be appealed on three grounds: error of law, failure to observe principles of natural justice, or new evidence has become available. Appeals are made to the Employment Standards Tribunal, an independent adjudicative body, for timely, efficient and neutral resolution.

In addition to the responsibilities the branch has under the Act, branch staff provide services to the Labour Relations Board by conducting and monitoring certification and decertification notices.

Through this program area, the ministry also continues to monitor labour market conditions in B.C. for signs of emerging skills shortages, and undertakes research on the effective solutions to mitigating skills shortages. The ministry also provides assistance and advice to industry associations who are engaged in sector-wide human resource planning, and assists other ministries in addressing sector-specific employment standards issues to promote a more prosperous economy. These include the development of sector-focused employment standards regulations for the oil and gas, agriculture, mining, forestry, silviculture, aquaculture and film industries, and the development of sector specific skills development initiatives.

Workers' Compensation System

The ministry oversees the *Workers Compensation Act* (WCA), which provides a framework for promoting safe and healthy workplaces and sets out the workers' compensation system for B.C. The workers' compensation system includes the following components: the Workers' Compensation Board, the Workers' Compensation Appeal Tribunal, and the ministry-based Workers' and Employers' Advisers Offices.

The Workers' Compensation Board (WCB) is an independent statutory agency mandated to administer the *Workers Compensation Act*. The Board creates and enforces provincial workplace health and safety regulations. It also adjudicates claims and administers wage-loss benefits and vocational rehabilitation benefits for workers suffering injury or disease and their dependents or survivors. Under the *Workers Compensation Act*, the WCB Review Division has a role in providing reviews of the WCB's claims decisions. The board is wholly funded by employer payroll assessments (the accident fund).

Effective March 3, 2003, the Workers' Compensation Appeal Tribunal (WCAT) replaced both the former Workers' Compensation Review Board and the former Workers' Compensation Board Appeal Division. WCAT is the second and final level of appeal in the restructured appeal system, which was introduced to simplify the process and enhance the consistency, timeliness and finality of decisions. Autonomous from the WCB, it is the responsibility of the Ministry of Skills Development and Labour, and is funded by employers through the accident fund. For the first three years of operation, WCAT has been provided with additional resources to reduce the backlog of appeals built up under the old appeal system. In 2006/07, gross expenditures will be reduced from the current level of $22.7 million to $18.9 million, and employees will be reduced from 185 to 167 FTEs.

A third component of the workers' compensation system are the ministry-based workers' and employers' advisers, who provide support and advisory services to parties involved in claims under the workers' compensation system. The ministry administers the Workers' Advisers Office and the Employers' Advisers Office, which are authorized by the *Workers Compensation Act* and funded by employers through the accident fund.

The Workers' and Employers' Advisers Office directly support the ministry's goal of safe and healthy workplaces and a workers' compensation system that is responsible to the needs of workers and employers.

Employers' Advisers are mandated to work with employers and the Workers' Compensation Board to resolve claims, assessments and safety issues. They advise employers on the interpretation of the *Workers Compensation Act* and any decisions under the Occupational Health and Safety Regulation, and provide information and training to employers on legislative and regulatory changes to assist employers in meeting their obligation and responsibility to provide a safe work environment for their workers.

Workers' Advisers are mandated to advise and assist injured workers in resolving issues with respect to benefits, claims and the interpretation of the *Workers' Compensation Act*. Program clients include injured workers and their dependents, professional associations, union

representatives, injured workers' associations and members of the public. They contribute to public policy improvements and provide information and public education.

Skills Development

The ministry has two areas of business related to skills development: the development of a provincial human resource strategy and the development of a youth employment strategy.

In June 2001, Cabinet directed the Minister to develop a provincial human resource strategy that focused on identifying potential skills shortages that would undermine economic growth in B.C. The framework for the strategy was presented to Cabinet in January 2004, and the Strategy was released on May 3, 2004. The ministry has developed this strategy through a process of internal consultation across government ministries; discussion with employers in eight key sectors; discussions with academics with expertise in labour market dynamics, and extensive analysis undertaken by ministry staff. The strategy includes an inventory of programs and policies that impact human resources, as well as a range of ideas for addressing skills shortages within firms, and concrete examples of businesses who have adopted tactics on their own. Through this process, the ministry has worked with the following agencies: Ministry of Small Business and Economic Development; Ministry of Advanced Education; Ministry of Education; Ministry of Community, Aboriginal and Women's Services; Ministry of Human Resources; Ministry of Health Services; the Intergovernmental Relations Secretariat; and the Public Sector Employers' Council. Private sector business organizations also played an important role in facilitating the employer discussions. The Business Council of British Columbia, the BC Chamber of Commerce and the Canadian Federation of Independent Business provided advice to the ministry on how best to solicit employer perceptions about skills shortages, and helped ensure that ministry staff had representative feedback from the eight sectors.

During 2003/04, the ministry participated as a member of the 2010 Winter Games Human Resources Planning Committee. The committee has now concluded its work, and released its final report "Planning for Gold" in February 2004. Ministry analysis and expertise on labour market issues is one of the key inputs for the development of the strategy. The work of sharing information and coordinating initiatives to meet the 2010 human resource challenge continues through the 2010 Multilateral Stakeholder Committee — a less formal committee with representation from federal, provincial and municipal governments, First Nations, Legacies Now, and the Organizing Committee for the Olympic Games (OCOG).

Through 2004/05, ministry staff will focus their efforts on supporting industry-led human resource planning initiatives. Examples of this include the Agriculture Labour Partnership Committee and the Construction Sector Council Labour Market Information working group for B.C. Staff also serve as a resource for other ministries who require expertise on labour market issues.

The ministry will continue to monitor the state of youth unemployment in British Columbia, in order to determine the impact that broader economic recovery will have on lowering youth unemployment.

Strategic Shifts and Significant Changes in Policy Direction

The Ministry of Skills Development and Labour has experienced no shifts or changes from the goals outlined in the 2003/04 – 2005/06 Service Plan Report, and will stay the course with those targets.

Update on *New Era* Commitments

Many of the *New Era* commitments for which the ministry is responsible were completed in 2001/02. Substantial work was done during 2003/04 towards achieving the following remaining commitments:

- Give workers and employers greater flexibility in employment standards to negotiate mutually beneficial relationships that help them compete and prosper;
- Make the Workers' Compensation Board more responsive to the needs of workers and employers alike;
- Focus on reducing B.C.'s youth unemployment.

Performance Reporting

Report on Results

Industrial Relations

In recognition of the power of external factors to impact the ministry's goals in this core business area, it has refined a number of its objectives and performance measures to more accurately reflect ministry activities. For example, rather than striving to decrease workdays lost to labour disputes and to decrease the number of *Labour Relations Code* contraventions, the ministry has set objectives of increasing the success rate of collective bargaining mediations and increasing the number of *Labour Relations Code* applications that are resolved prior to adjudication. These objectives are more consistent with ministry responsibilities and are therefore more accurately measured. The performance data is given for the fiscal year. The actual and target data presented in the 2003/04 Service Plan was based on calendar year.

Goal: Promote productive and competitive workplaces from which good relationships in the labour relations community can be developed.

Objective: Encourage mutual confidence between unions and employers.

Strategies:

- Provide information to Labour Relations Board clients about the *Labour Relations Code* and industrial relations practices.
- Create an industrial relations environment that is responsive to the needs of employees, unions and employers by maintaining the accessibility of Labour Relations Board services to all parties and streamlining their administrative requirements.

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Number of LRB applications and complaints received[1]	2,247	2,450–2,550	2,417	-33

[1] Includes mediations and adjudications, does not include the Collective Agreement Arbitration Bureau.

Objective: Increase collective bargaining mediation success rate.

Strategies.

- Encourage alternative dispute resolution processes.

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Percentage of mediation applications settled (ss. 55 and 74)	74.4%	75–80%	77%	Target Achieved

Objective: Increase the number of *Labour Relations Code* applications that are resolved prior to adjudication.

Strategies:

- Provide information to Labour Relations Board clients about the *Labour Relations Code* and industrial relations practices.
- Ensure Labour Relations Board operations are suited to today's work environment by continuing to apply the principles enshrined in the *Labour Relations Code*, such as encouraging cooperation between employers and trade unions in resolving workplace issues, adapting to changes in the economy, developing workforce skills and developing a workforce and a workplace that promotes productivity.
- Create industrial relations environment that is responsive to needs of employees, unions and employers by maintaining the accessibility of Labour Relations Board services to all parties and streamlining their administrative requirements.

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Number of applications and complaints disposed of[1]	2,075	2,500–2,600	2,554	Target Achieved
Percentage of disputes settled[2]	64.2%	60–65%	65%	Target Achieved

[1] Number of applications and complaints disposed of includes mediations and adjudications; CAAB applications received prior to January 1, 2003 are not included. "Disposed of" means an arbitrator or mediator-arbitrator has been appointed, but the case will remain open to record the final outcome.

[2] 'Disputes' that come to the LRB include: unfair labour practice complaints (ss. 5–12), applications under sections 32 and 45, and Part 5 applications (ss. 57–70). Applications under sections 55 and 74 of the *Labour Relations Code* are excluded from this calculation and are instead listed separately under 'objective 2'. "Settled" means resolved without formal decision, order or declaration.

Objective: Issue decisions in a timely manner.

Strategies:

- Facilitate use of early intervention and alternative dispute resolution processes.
- Expedite Labour Relations Board adjudication, including more focused decisions and review and analysis of procedural timelines.

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Average number of backlog cases[1]	23	35	34	-1

[1] In general, a case is part of the 'backlog' if it has been assigned for more than 90 days and no hearing will be held, or where a hearing has been completed and more than 45 days have passed. The increase in backlog for 2003/04 is attributable to the reduction in staffing of adjudicators.

Workplace Programs (Employment Standards)

Changes to the *Employment Standards Act*, as well as the restructuring of the Employment Standards Branch (ESB) in 2002/03, have meant baseline data has significantly changed. The introduction of self-help materials, the shift from an investigative to a mediation and adjudication model, and compliance partnerships with industries are expected to substantially affect ministry measures.

In employment standards, the ministry has sought to identify anticipated improvements rather than specific targets due to the difficulty in determining causality. A case in point is the number of complaints received by the branch. A decline in the number of complaints could be attributable to a number of factors, such as the improved effectiveness and efficiency of the self-help kits or the new sector-specific employment standards. Likewise, an increase in the number of complaints in the future may be attributable to a substantial upswing in the provincial economy. As the number of British Columbians finding work increases, the overall number of complaints may also increase even though on a per capita basis the number of complaints remains stable.

The Employment Standards Branch has committed to providing resources to work concurrently with three targeted sectors through initiatives such as partnerships with employees and employers. Sectors will be prioritized to optimize resource utilization in those areas presenting the greatest risk to vulnerable workers. As joint objectives are realized and compliance issues improved in one sector, the branch will reassess priorities and focus on new sectors to maintain its targets of three concurrent initiatives.

Goal: Fair and balanced employment standards that allow mutually beneficial relationships between employees and employers.

Objective: Facilitate increased compliance with the *Employment Standards Act*.

Strategies:

- Increase employers' and employees' knowledge and understanding of the *Employment Standards Act* by working together with industry on education and awareness initiatives.
- Ensure contraventions of the *Employment Standards Act* are identified and corrected by focusing enforcement activities on noncompliant sectors or employers.

Performance Measures	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
ESB early intervention closures[1]	911	1,500	1,419	-81
Complaints received by ESB	6,590	6,500	5,604	-896[2]

[1] The measure 'early intervention closure' in this annual service plan report replaces the measure 'early intervention attempt'. In 2003/04–2005/06 Service Plan, an 'early intervention attempt' was considered any matter resolved during intake, education or assessment, but prior to the filing of a formal complaint. In this year's service plan, an 'early intervention closure' is a successful resolution of a workplace problem by providing information on basic requirements of the *Employment Standards Act* after the initial filing of a formal complaint but before mediation is scheduled.

[2] Due to legislative and process changes in 2002 and 2003 the Branch had no history on which to base an estimate of the number of complaints for 2003 and therefore targeted no increase in the number of complaints as the expectation. The 2003/04 actual will provide baseline for more accurate forecasting in the future.

Objective: Create a fairer and more balanced employment standards system that benefits employers and employees.

Strategies:

- Ensure the *Employment Standards Act* is suited to today's workplaces and meets the needs of employers and employees by introducing regulatory changes that address the unique circumstances of specific sectors.
- Increase employers' and employees' awareness of the employment standards system, including where they can go for assistance.
- Develop a vibrant relationship with industry that promotes joint responsibility for education and training on workplace matters to ensure a level playing field meeting at least the minimum standards of the *Employment Standards Act*.

Performance Measures	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
ESB determinations[1]	976	450	787	+337[2]
EST[3] appeals and reconsiderations processed	586	575	300	-275[4]

[1] A determination is a legally enforceable decision made by the Branch regarding an employer/employee issue under the Act.

[2] With an increased emphasis on early intervention and mediation the Branch anticipated a corresponding reduction in the number of determinations issued. Due to a persistent backlog from previous years the number of determinations were greater than anticipated due to the closure of a greater than expected number of backlogged files.

[3] Employment Standards Tribunal. The Tribunal provides an independent avenue of appeal of determinations made by the Branch. In specific circumstances, the Tribunal may also reconsider its own decisions.

[4] During 2003/2004 the Tribunal processed 300 cases. This represents a 48 per cent reduction in caseload from the previous year. The reduction can be attributed to changes at the Employment Standards Branch (its new operating model) and changes to the Act (e.g., mandatory penalties).

Objective: Resolve employment standards disputes prior to formal complaint being filed with the Employment Standards Branch.

Strategies:

- Provide advice and support services for employers and employees through improving availability of employment standards and dispute resolution information.
- Support early intervention and alternative dispute resolution in employment standards disputes by supporting the new complaint resolution model, which mandates the use of self-help materials and mediation prior to adjudication.

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Number of sector specific initiatives concurrently in operation[1]	1	3	3	0

[1] Initiatives may include partnership agreements, such as Memoranda of Understanding, or targeted enforcement operations.

Objective: Increase Employment Standards Branch efficiency and effectiveness.

Strategies:

- Support early intervention in employment standards disputes.
- Improve quality of Employment Standards Branch decision-making through advanced training for officers, clear policy direction and the sharing of best practices.
- Provide early intervention/dispute resolution processes.

Performance Measures	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Determinations upheld by the EST[1]	68%	70%	64%	-6%
ESB timeliness[2]	180	150	190	+40[3]

[1] Based on 519 ESB determinations appealed to the Tribunal on substantive matters.

[2] The length of time from submission of complaint to closure (days).

[3] ESB officers were able to close a higher proportion of old files than anticipated, thereby reducing the wait for clients who had complaints in the system the longest.

Objective: Streamline appeal system.

Strategy:

- Ensure consistency in decision-making by sharing Tribunal lead decisions and high-quality Branch decisions, and by using online policy interpretations to ensure consistent interpretation by staff.

Performance Measures	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
EST timeliness — oral hearings[1]	134	135	126	-9%[2]
EST timeliness — written submissions[3]	86	85	85	0

[1] The length of time to decide an appeal (days) based on oral hearings.

[2] The Tribunal further streamlined its processes to ensure an improvement in decision-making.

[3] The length of time to decide an appeal (days) based on written submissions.

Workers' Compensation System

As an independent statutory agency, the WCB identifies and measures performance against its own major objectives. Key objectives and performance indicators are set out in the WCB's 2003 Annual Report and 2004 – 2006 Service Plan. These documents are available on the WCB's website at WorkSafebc.com.

The Workers' Compensation Appeal Tribunal (WCAT) became operational in March 2003. WCAT is the second and final appeal level in the new system, which was introduced to ensure fair, timely and consistent decisions. WCAT has an objective of eliminating, within three years, the backlog of appeals it acquired from the Workers' Compensation Review Board and the WCB Appeal Division. Over the coming year, WCAT will develop other measurable objectives with respect to adjudication activity. These objectives and measures can only be accurately identified when the volume of appeals received from the WCB and the WCB Review Division under the new system matures and stabilizes.

This year the ministry has removed one objective and its associated strategies from this core business area, to better focus on areas of ministry responsibility. The objective of fewer workplace injuries, illnesses and deaths is addressed by the Workers' Compensation Board and is more appropriate to its business activities.

GOAL: Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of workers and employers alike.

Objective: Better compliance with the *Workers Compensation Act* and the *Occupational Health and Safety Regulation* by providing responsive, independent and expert advice, assistance and representation to workers and employers.

Strategy:

- Facilitate workers' and employers' understanding of the workers' compensation system, including appeal processes, by providing information and assistance to workers and employers.

Performance Measures	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Inquiries responded to by Workers' Advisers Office[1]	142,062	133,850	130,012	-3,838
Advice/assistance provided by Employer's Advisers Office[2]	11,231	9,500	9,252	-248

[1] Documented brief service advice. Does not include general inquiries.

[2] Advice and assistance provided to new clients that fully addressed their needs at point of contact. This does not include general inquiries. Results in a Liability Protection Form completed and signed by an Advisor only. Distinct from a File, which generally deals with appeals.

Objective: Decrease the number of appeals filed.

Strategy:

- Facilitate workers' and employers' understanding of the workers' compensation system, including appeal processes.

Performance Measures	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Workers' Advisers Office public education seminar participation[1]	257	450	881	+431[2]
Employer's Advisers Office information and skills development seminar participation[3]	4,801	4,000	5,052	+1,052[4]

[1] Individual participants. Includes injured worker representatives, constituency assistants and other public groups who attend WAO seminars on using the workers' compensation system.

[2] Increased seminar participation furthered workers' understanding of the workers' compensation system.

[3] Individual participants. Includes employers, workers, safety committee members and professionals who attend EAO seminars on various components of workers' compensation legislation.

[4] Increased seminar participation furthered employers' understanding of the workers' compensation system.

Objective: Increase efficiency of appeal system.

Strategies

- Streamline appeal system.
- Eliminate appeal backlog.

Performance Measure	2002/03 Actual	2003/04 Target	2003/04 Actual	Variance
Backlog of appeals acquired from old system at implementation of WCAT	22,425	11,390	10,792	-598[1]

[1] WCAT has developed strategies for reduction of the backlog. The implementation of these strategies, coupled with a lag in intake of new appeals under the new appeal system, enabled WCAT to exceed its goal for reduction of the backlog.

Deregulation

Cross-government deregulation initiatives, which seek to reduce the overall regulatory burden by one third, will continue to impact all core businesses of the Ministry of Skills Development and Labour.

By March 31, 2004, the ministry had reduced its regulatory requirements by over 39 per cent, and the Workers' Compensation Board had reduced its regulatory requirements by 30 per cent.

The repeal of the *Barbers Act* and the *Cosmetologists Act*, effective December 31, 2003, has removed numerous unnecessary and duplicate regulations, and has assisted the ministry in exceeding its goal of reducing its regulatory requirements by one-third by the end of 2004. The workers' compensation appeal system was restructured effective March 3, 2003, through Bill 63, the *Workers Compensation Amendment Act (No. 2), 2002*. This change, which involved the merger of the former Workers' Compensation Review Board and WCB Appeal Division into WCAT, involved the development of a small number of new practices and procedures but eliminated a large number of system regulatory requirements. Continuing reviews of the *Workers Compensation Act* and policies have also resulted in substantial reductions.

The ministry will continue to implement the government's smart regulation policy by simplifying and reducing unnecessary regimes and by ensuring that any new regulation is necessary.

Report on Resources

2003/04 Resource Summary by Core Business Areas

	Estimates	Other Authorization	Total	Actual	Variance
Operating Expenses ($000)					
Skills Development and Employment Standards	13,834	—	13,834	10,032	3,802[1]
Industrial Relations	8,120	—	8,120	5,969	2,151[2]
Workers' Compensation	1	—	1	0	1
— Gross Expenditures	31,814	—	31,814	24,401	—
— Recoveries	(31,813)	—	(31,813)	(24,401)	—
Executive Support Services	3,682	—	3,682	3,924	(242)
Total	**25,637**	**—**	**25,637**	**19,925**	**5,712**
Full-time Equivalents (FTEs)					
Skills Development and Employment Standards	117	—	117	106	11
Industrial Relations	47	—	47	49	(2)
Workers' Compensation	263	—	263	218	45
Executive Support Services	24	—	24	23	1
Total	**451**	**—**	**451**	**396**	**55**
Ministry Capital Expenditures (CRF) ($000)					
Skills Development and Employment Standards	677	—	677	290	387[3]
Industrial Relations	20	—	20	—	20
Workers' Compensation	2,815	—	2,815	449	2,366[4]
Executive Support Services	—	—	—	—	—
Total	**3,512**	**—**	**3,512**	**739**	**2,773**

[1] The $3.8 million underspending in Skills Development and Employment Standards was made up of three components: a $2.1 million internal restructuring fund created by planned staff reductions and office closures ahead of budget targets; $900,000 in salary savings due to higher than expected uptake on ERIP/VDP and hiring lag; and $600,000 in IT savings due to delays in systems development project.

[2] The $2.2 million underspending in Industrial Relations consisted mainly of a $1.4 million internal restructuring fund created by planned staff and rent reductions ahead of budget targets and a $500,000 conservative budget for central agency chargebacks that was not required.

[3] The variance is due to delays in a major system development project.

[4] The variance is due to the delayed decision regarding a new case management system for the Workers' Compensation Appeal Tribunal.

Appendix 1: List of Crowns, Agencies, Boards

Workers' Compensation Board

The Workers' Compensation Board (WCB) is an independent statutory agency that operates under the authority of the *Workers Compensation Act* and administers the Act for the Ministry of Labour. The WCB is dedicated to the safety, protection and good health of workers in British Columbia and is funded by employers in industries covered by the Act. The WCB produces its own annual report and three-year Service Plan, which details its activities.

Workers' Compensation Appeal Tribunal

Bill 63, *Workers Compensation Amendment Act (No. 2), 2002*, was introduced to implement a new WCB appeals process. The new process reduces the levels of review and appeal of WCB decisions from three to two, creates a new internal review function to improve the quality of initial decision-making and establishes a new, independent appeal tribunal, the Workers' Compensation Appeal Tribunal (WCAT), as the final level of appeal for workers' compensation matters. The new appeals process became effective March 3, 2003. WCAT replaced the Workers' Compensation Review Board and the WCB Appeal Division.

Labour Relations Board

The Labour Relations Board's mandate is to regulate the acquisition of collective bargaining rights, to resolve complaints brought before it under the *Labour Relations Code*, and to assist employers and employees in reaching collective agreements.

The Labour Relations Board (LRB) also produces its own annual report, which provides a comprehensive account of its activities.

Employment Standards Tribunal

The Employment Standards Tribunal provides timely, efficient and neutral resolution of appeals of Employment Standards Branch Determinations. Legislative, regulatory and operational amendments have been implemented that reflect the government's vision for fair and effective resolution of appeals.

Appendix 2: Legislation

April 1, 2003 – March 31, 2004

Barbers Act[1]

Cosmetologists Act[2]

Education Services Collective Agreement Act

Employment Standards Act

Fire and Police Services Collective Bargaining Act

Fire Department Act

Fishing Collective Bargaining Act

Greater Vancouver Transit Services Settlement Act

Health Care Services Collective Agreements Act[3]

Labour Relations Code

Ministry of Labour Act (except provisions re: gas safety, electrical safety, elevating devices, boiler and pressure vessels)

Workers Compensation Act (except s. 3 (6))

[1] The *Barbers Act* was repealed effective December 31, 2003.

[2] The *Cosmetologists Act* was repealed effective December 31, 2003.

[3] The *Health Care Services Continuation Act* was repealed by the *Health Care Services Collective Agreements Act*.

Appendix 3: Regional Offices

Employment Standards Branch Offices

Burnaby
Dawson Creek
Kelowna
Nanaimo
Nelson
Prince George
Surrey
Terrace
Victoria

Employers' Advisers

Abbotsford
Cranbrook
Kamloops
Kelowna
Nanaimo
Prince George
Richmond
Victoria

Workers' Advisers

Abbotsford
Campbell River
Kamloops
Kelowna
Nanaimo
Nelson
Prince George
Richmond
Victoria

Appendix 4: Other Program Statistics

UNIONS WITH A MEMBERSHIP IN BRITISH COLUMBIA GREATER THAN 5,000

Relative Position 2002	Union	Membership 2002	Relative Position 2001
1	Canadian Union of Public Employees and Affiliates	114,658	1
2	BC Government and Service Employees' Union and Affiliates	68,921	2
3	BC Teachers' Federation	46,622	3
4	United Food and Commercial Workers International Union	32,493	4
5	Industrial, Wood and Allied Workers of Canada and Affiliates	27,591	5
6	BC Nurses' Union	26,000	6
7	National Automobile, Aerospace . . . Workers (CAW) and Affiliates	25,000	7
8	International Brotherhood of Teamsters	19,522	8
9	Communications, Energy and Paperworkers Union of Canada	14,000	9
10	Public Service Alliance of Canada	14,000	10
11	Health Sciences Association of BC	12,917	12
12	Office and Professional Employees International Union	12,710	11
13	International Union of Operating Engineers	12,543	13
14	International Association of Machinists and Aerospace Workers	11,334	18
15	Hotel, Restaurant and Culinary Employees and Bartenders' Union	10,500	14
16	Telecommunications Workers Union	10,405	15
17	United Brotherhood of Carpenters and Joiners of America and Affiliates	9,303	16
18	International Brotherhood of Electrical Workers	9,071	17
19	Christian Labour Association of Canada	7,494	20
20	United Steelworkers of America	7,229	19
21	Union of BC Performers	6,622	
22	Canadian Union of Postal Workers	6,555	21
23	College Institute Educators' Association	6,460	22
24	Laborers' International Union of North America	6,106	24
25	Pulp, Paper and Woodworkers of Canada	5,567	23

UNION MEMBERSHIP IN BRITISH COLUMBIA, 1970–2003[1]

Year	BC Union Membership	Percentage Change from Previous Year	Total Employment	Estimate of Union Membership as Percentage of Total Employment
1970	310,222	5.9	810,000	38.3
1971	316,587	2.1	847,000	37.4
1972	332,091	4.9	879,000	37.8
1973	350,175	5.5	937,000	37.4
1974	395,846	13.0	996,000	39.7
1975	401,608	1.5	1,027,000	39.1
1976	426,723	6.3	1,062,000	40.2
1977	439,730	3.0	1,085,000	40.5
1978	450,802	2.5	1,134,000	39.8
1979	465,980	3.4	1,185,000	39.3
1980	480,680	3.2	1,263,000	38.1
1981	501,001	4.2	1,317,000	38.0
1982	507,965	1.4	1,252,000	40.6
1983	488,239	-3.9	1,246,000	39.2
1985[2]	466,864	-4.4	1,274,000	36.6
1986	454,410	-2.7	1,328,000	34.2
1987	464,279	2.2	1,375,000	33.8
1988	457,285	-1.5	1,435,000	31.9
1989	477,633	4.4	1,509,000	31.7
1990	502,036	5.1	1,555,000	32.3
1991	516,975	3.0	1,573,000	32.9
1992	524,158	1.4	1,620,000	32.4
1993	525,948	0.3	1,676,000	31.4
1994	536,653	2.0	1,754,000	30.6
1995	545,219	1.6	1,792,000	30.4
1996	551,920	1.2	1,821,000	30.3
1997	547,500	-0.8	1,869,000	29.3
1998	532,700	-2.7	1,870,000	28.5
1999	535,900	0.6	1,906,000	28.1
2000	566,800	5.8	1,949,000	29.1
2001	555,800	-1.9	1,942,000	28.6
2002	553,900	-0.3	1,973,000	28.1
2003	554,200	0.1	2,023,000	27.4

[1] Source: Statistics Canada Labour Force Survey.
[2] Data for 1984 not available.

WORK STOPPAGES IN BRITISH COLUMBIA

Three year comparison by industry 2001 to 2003

Category	Stoppages			BC Workers Directly Involved			Duration in Worker Days		
	2001	2002	2003	2001	2002	2003	2001	2002	2003
All Industries:	**44**	**20**	**8**	**25,754**	**37,137**	**16,371**	**456,528**	**107,498**	**142,549**
– Provincial	41	18	8	21,518	36,622		448,909	76,567	142,549
– Federal	3	2		4,236	515		7,619	30,931	
Goods Producing:	**12**	**4**	**3**	**2,028**	**219**	**5,760**	**90,851**	**4,122**	**123,945**
– Agriculture									
– Forestry	1		2	350		5,460	700		112,514
– Fishing, Hunting									
– Mining, Oil & Gas Extract.	1			74			1,470		
– Utilities	2			520			13,256		
– Construction									
– Manufacturing	8	4	1	1,084	219	300	75,425	4,122	11,431
Service Producing:	**32**	**16**	**5**	**23,726**	**36,918**	**10,611**	**365,677**	**103,376**	**18,604**
– Trade	5	2		148	30		4,570	2,081	
– Transport./Warehousing	6	2	1	4,032	515	1,744	242,377	30,931	3,412
– Information/Cultural Indust.	2	2		228	1,106		5,622	20,056	
– Finance[1]	2			52			744		
– Professional/Scientific[2]									
– Management[3]									
– Administrative Support[4]									
– Educational Services	2	1	2	463	35,000	3,997	675	35,000	10,152
– Health Care/Social Assist.	7	2		14,150	23		60,718	241	
– Arts, Entertain. & Rec.	4	4		508	171		22,624	4,438	
– Accommod., Food Services	3	1	1	151	20	4,700	10,193	164	4,700
– Other Services		1			44			10,414	
– Public Administration	1	1	1	3,994	9	170	18,154	51	340

[1] Finance, Insurance, Real Estate and Rental and Leasing.

[2] Professional, Scientific and Technical Services.

[3] Management of Companies and Enterprises.

[4] Administrative Support, Waste Management and Remediation Services.

In 2001, the teachers were legally on strike but lost no time. Their strike and those by the nurses and health care facilities staff were counted in the number of stoppages but no figures were available for numbers of workers or days lost.

In 2002, the community service workers' and pilots' strikes were counted in the number of stoppages but no figures were available for numbers of workers and/or days lost.

Demonstrations, etc. in the health sector around hospitals and cutbacks were not counted as stoppages.

In 2003, there were two strikes that involved multiple employers, unions and sites affected. Actual numbers were unattainable. While an exact number of 'worker days lost' was obtained in another dispute, the number of 'workers directly involved' was not collected due to multiple sites being picketed and confusion over essential services levels.

[ ] estimates.

Source: Policy and Legislation Branch, Ministry of Skills Development and Labour.

Revised: June, 2004.